



**GUILDFORD COAL LIMITED
CHAIRMAN'S ADDRESS TO
EXTRAORDINARY GENERAL MEETING
30 OCTOBER 2015**

A. INTRODUCTION

Ladies and Gentlemen,

Good afternoon and welcome to this Extraordinary General Meeting for Guildford Coal Limited in Townsville.

Let me introduce myself - I am Mick Avery, Group Managing Director of Guildford Coal Limited and will Chair this meeting on behalf of the Company.

As we have a quorum, being a minimum of 5 members including their valid proxies, I declare this meeting open.

I propose that after making my preliminary comments and outlining some housekeeping matters for the conduct of this meeting that I will proceed with the formal aspects of the meeting as described in the Notice of Meeting you have all received.

It would be appreciated if you could please turn off your mobile phone now if you have not already done so as a courtesy to your fellow shareholders.

Before proceeding, let me introduce you to my fellow colleagues in attendance today:

- Mr Tony Mooney, Company Secretary of Guildford Coal and General Manager of Stakeholder Relations
- Mr Mark Reynolds, Acting Chief Financial Officer of Guildford Coal and Project Director North Queensland
- Also present is Mr Lee Marshall, a representative of Link Market Services – Guildford Coal's share registrar – who will be acting as returning officer should a poll be called.

- I note also that due to the diverse geographical spread of the Directors of the Board and in the interest of saving travel costs we have elected to have the remaining Directors dial into this meeting.
- I welcome you all to the meeting.

We are all pleased you have joined us today for the meeting which is in compliance with the Corporations Act, formal in nature and restricted to the resolutions detailed in the notice of meeting.

B. Update to Shareholders on the Background to the EGM

I will now present an update regarding the resolutions presented for consideration at this EGM.

First and foremost, Guildford remains focused on delivering all aspects of the 2015 strategic review, both on a corporate level and on an operational level, and in particular, by continuing to pursue and explore alternative fund raising options to restructure its finances and reduce its debt burden.

The first three resolutions before you today are an important step for Guildford in delivering on this key element in its strategic plan to restructure the current debt on the balance sheet.

We have negotiated, subject to your approval, an extension of the Maturity Date of the Convertible Notes to 8 December 2015 and an extension of time for making certain payments under the Convertible Notes and the Amortising Notes. Previously, Guildford advised you that this extension of time would extend to 31 October 2015. We have subsequently agreed that the extension will be to 16 November 2015.

As we explained in the Explanatory Memorandum to the Notice for this meeting, the Company has agreed to issue new warrants as part of the commercial consideration for the agreement of the holders of the Convertible Notes and the Amortising Notes to these extensions of time.

These extensions provide additional time to finalise the restructure of the Company's debt, and continue to progress funding arrangements to meet upcoming payment obligations. Guildford expects to make further announcements in the coming weeks with respect to meeting those payment obligations. We continue to maintain a strong and supportive working relationship with our existing financial backers in connection with our existing obligations and debt restructuring plan.

RHB Securities Singapore has been appointed as an advisor on this debt restructuring and has been working closely with the Company on this for some time.

One structure being progressed by the Company involves refinancing the majority of the Company's debt through a circa US\$115 million five year interest-only listed bond. In general terms the bond would contemplate:

- semi-annual interest payments paid in arrears,
- a bullet repayment at the end of the term,
- an option to capitalise 50% of the interest payments; and
- a variable component of the interest payments linked to actual coal sales.

Such a structure would give the Company significantly greater flexibility to manage its cash flows going forward and enable the implementation of the growth strategy. The Company has made significant progress with this restructure. At this stage there can be no certainty that this structure will be completed and the Company will update the market appropriately.

I wish to also advise that in parallel to the bond structure, the Company is progressing an alternate restructuring option which would also refinance the majority of the Company's debt and provide significantly greater flexibility to manage cash flows going forward.

The Board's clear strategic direction is to transition the Company over the next 12 months, to a dynamic mid-tier, globally diverse resource and energy mining Company which generates strong positive cash flows.

During this past year and despite significantly adverse market conditions, a key achievement has been the commissioning of the Mongolian Baruun Noyon Uul (**BNU**) coking coal mine which has enabled the Company to transition from explorer to miner status. The Board plans to use this as a foundation for growth not only organically in Mongolia, but also through the potential acquisition of strong cash flow positive operating projects across the Asia Pacific.

The fourth resolution is the re-brand of Guildford Coal to TerraCom Limited. The Board believes this move better reflects its strategic direction and focus to transition to a dynamic energy and resources Company but maintains a connection to our origins in Mongolia.

I advise that the 4 resolutions contained in this Notice have been unanimously supported by the directors of the Company.

It is important to note however, that if any of Resolutions 1, 2 or 3 are not passed, the Company will immediately be in default to its financiers. The Company cannot say what action its financiers would take in those circumstances, however under the Company's financing arrangements the financiers would have the right to immediately redeem the Convertible Notes and Amortising Notes. At present, the Company does not have funding arrangements in place to pay such

amounts. Accordingly, if the Company enters default its financiers may enforce their security against it.

I will now move on to the formal part of the meeting.

C. NOTICE OF MEETING

Notice of this Extraordinary General Meeting has been given to shareholders in accordance with the Company's constitution, the Listing Rules of the Australian Securities Exchange Limited (**ASX**) and the Corporations Act. A copy of the notice of meeting has been lodged with the ASX and posted to all shareholders.

Does anyone not have a copy of the Notice of Meeting who would like a copy?

Replacement copies are available from Link Market Services staff at the entrance to the room.

I table the Notice of Meeting dated 28 September 2015 which is taken as read.

VOTING PROCEDURES

With regard to voting on today's resolutions, all Shareholders, proxyholders and authorised corporate representatives who are entitled to vote should have been issued with green voting cards.

If anyone present is entitled to vote and does not have a yellow voting card, please see one of the Link Market Services' staff at the registration table at the entrance door. They will assist you.

Non-voting Shareholders were issued with a red card upon entering the room. A red card will not allow you to vote.

Blue cards indicate a visitor. Visitors and Media are reminded that whilst we welcome you at this meeting, it is a Shareholder meeting and you may not vote, make comments or ask questions.

If I call on you, please raise your yellow voting or red non-voting admission card prior to speaking to identify yourself as a Shareholder. If you are acting as a proxy, please state clearly who you are appointed to represent when introducing yourself to the meeting.

When voting on a show of hands, please raise the yellow voting card.

We will now turn to the business of the meeting.

BUSINESS OF THE MEETING

I will now turn to the resolutions to be considered.

In summary, the business to be considered at the EGM is:

- the approval for ASX Listing Rule 7.1, and for all other purposes, of adjustments to Convertible Notes and Amortising Notes previously issued by the Company to OCP Asia and the issue of new and replacement detachable warrants;
- the approval for ASX Listing Rule 6.23.2, and for all other purposes, of the cancellation of the existing Detachable Warrants previously issued by the Company to OCP Asia as set out in the Explanatory Memorandum; and
- the approval for section 157 of the Corporations Act 2001 (Cth) of the change of the Company's name to TerraCom Limited and approval for section 136(2) of the Corporations Act 2001 (Cth) to amend the Company's Constitution to reflect the change of name.

Resolutions to be considered at the meeting

I will follow the procedure for conducting shareholder meetings described in the Company's constitution. All resolutions will be decided on a show of hands unless a poll is demanded at or before the declaration of the result of the show of hands.

I wish to advise Shareholders that the number of proxies received by the Company, including those received by fax, as at 1.00PM (ADST) on 28 October 2015 was 100. Proxies received after that time are invalid as, under the Company's Constitution, they were received too late.

Of the proxies received in time, 100 proxy votes are deemed valid for the purpose of this meeting, unless such shares submitted for voting by proxy have been sold, or a notice has been received by the Company's share registry from the registered Shareholder, revoking the votes previously cast.

For each resolution, I will inform the meeting how many proxy votes have been received and how the proxy votes are to be cast on that resolution before a vote is taken.

Before we commence I remind you that only Shareholders present in person, persons holding valid proxies, and validly appointed corporate representatives have the right to speak and vote at this meeting. If a Shareholder has appointed a proxy but is present at the meeting in person, the proxy holder is not entitled to speak or vote.

Resolution 1: Approval of the adjustment of the terms of Convertible Notes and Amortising Notes

Shareholders approved the issue of the Convertible Notes and Amortising Notes to OCP Asia at an Extraordinary General Meeting held on 30 December 2013 (**2013 EGM**). The Convertible Notes and Amortising Notes were issued to OCP Asia on 8 January 2014. Shareholders are asked to consider, and if thought fit, to pass the following ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, and conditional on the passing of Resolutions 2 and 3, Shareholders approve the adjustments to the CN Conditions to the Convertible Notes and the AN Conditions to the Amortising Notes, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

I now disclose to the meeting how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 100 valid proxies were received, of which –

- (a) 309,211,480 votes were in favour of the resolution;
- (b) 136,863,779 votes were against the resolution;
- (c) 1,690,192 were directed to the Chairman to vote in accordance with his voting intentions on Resolution 1. *As Chairman of this meeting I will be voting in favour of passing this resolution.*

A poll has been called by me as Chairman of the Meeting in respect of Resolution 1. The poll will now be taken, so I therefore declare the poll open.

All members and appointed proxies entitled to vote were given a yellow card upon admission to the meeting.

Members attending the meeting who have also voted by proxy must vote under a poll as their proxy votes are ineligible.

Please clearly mark either “For”, “Against” or “Abstain” on the front of the card next to the resolution being voted on under a poll.

The Returning Officer for the poll will be Lee Marshall from Link Market Services.

Once you have marked your vote it will be collected by the Returning Officer’s staff.

I now declare the Poll closed.

The Returning Officer will now count the ballot papers.

I will announce the result once all ballots have been counted.

Adjourn meeting to count results of the poll

Thank you for your patience, ladies and gentlemen. We will not have a result until the vote is counted.

Announcement of result of poll

Thank you for waiting for the outcome of the voting ladies and gentlemen. I now declare the meeting re-opened and announce the results of the poll.

Resolution

The number of votes cast FOR Resolution 1 was 477,603,058 representing 77.73 % of all votes cast.

The number of votes cast AGAINST Resolution 1 was 136,863,779 representing 22.27 % of all votes cast.

Accordingly, I declare the motion in relation to Resolution 1 carried as the required 50% majority has been achieved. The results of the poll in respect of Resolution 1 will be released to the ASX shortly and will be displayed on the ASX website as soon as practicable later today.

Resolution 2: Approval of the issue of New Warrants

Shareholders are asked to consider, and if thought fit, to pass the following ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, and conditional on the passing of Resolutions 1 and 3, Shareholders approve the issue of 126,308,306 New Warrants on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

I now disclose to the meeting how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 100 valid proxies were received, of which –

- (d) 308,361,480 votes were in favour of the resolution;
- (e) 137,713,779 votes were against the resolution;
- (f) 1,690,192 were directed to the Chairman to vote in accordance with his voting intentions on Resolution 2. *As Chairman of this meeting I will be voting in favour of passing this resolution.*

A poll has been called by me as Chairman of the Meeting in respect of Resolution 2. The poll will now be taken, so I therefore declare the poll open.

All members and appointed proxies entitled to vote were given a yellow card upon admission to the meeting.

Members attending the meeting who have also voted by proxy must vote under a poll as their proxy votes are ineligible.

Please clearly mark either "For", "Against" or "Abstain" on the front of the card next to the resolution being voted on under a poll.

The Returning Officer for the poll will be Lee Marshall from Link Market Services.

Once you have marked your vote it will be collected by the Returning Officer's staff.

I now declare the Poll closed.

The Returning Officer will now count the ballot papers.

I will announce the result once all ballots have been counted.

Adjourn meeting to count results of the poll

Thank you for your patience, ladies and gentlemen. We will not have a result until the vote is counted. Accordingly, I will now adjourn the meeting.

Announcement of result of poll (If Results are announced during the meeting)

Thank you for waiting for the outcome of the voting ladies and gentlemen. I now declare the meeting re-opened and announce the results of the poll.

Resolution

The number of votes cast FOR Resolution 2 was 476,753,058 representing 77.59% of all votes cast.

The number of votes cast AGAINST Resolution 2 was 137,713,779 representing 22.41% of all votes cast.

Accordingly, I declare the motion in relation to Resolution 2 carried as the required 50% majority has been achieved. The results of the poll in respect of Resolution 2 will be released to the ASX shortly and will be displayed on the ASX website as soon as practicable later today.

Resolution 3: Approval of the cancellation of existing Detachable Warrants

Shareholders are asked to consider, and if thought fit, to pass the following ordinary resolution:

“That for the purposes of ASX Listing Rule 6.23.2, and for all other purposes, and conditional on the passing of Resolutions 1 and 2, Shareholders approve the cancellation by the Company of the existing Detachable Warrants upon issue of the New Warrants.”

I now disclose to the meeting how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 100 valid proxies were received, of which –

- (g) 308,417,808 votes were in favour of the resolution;
- (h) 137,646,665 votes were against the resolution;
- (i) 1,690,192 were directed to the Chairman to vote in accordance with his voting intentions on Resolution 3. *As Chairman of this meeting I will be voting in favour of passing this resolution.*

A poll has been called by me as Chairman of the Meeting in respect of Resolution 3 The poll will now be taken, so I therefore declare the poll open.

All members and appointed proxies entitled to vote were given a yellow card upon admission to the meeting.

Members attending the meeting who have also voted by proxy must vote under a poll as their proxy votes are ineligible.

Please clearly mark either “For”, “Against” or “Abstain” on the front of the card next to the resolution being voted on under a poll.

The Returning Officer for the poll will be Lee Marshall from Link Market Services.

Once you have marked your vote it will be collected by the Returning Officer’s staff.

I now declare the Poll closed.

The Returning Officer will now count the ballot papers.

I will announce the result once all ballots have been counted.

Adjourn meeting to count results of the poll

Thank you for your patience, ladies and gentlemen. We will not have a result until the vote is counted. Accordingly, I will now adjourn the meeting.

Announcement of result of poll (If Results are announced during the meeting)

Thank you for waiting for the outcome of the voting ladies and gentlemen. I now declare the meeting re-opened and announce the results of the poll.

Resolution

The number of votes cast FOR Resolution 3 was 476, 809,386 representing 77.60 % of all votes cast.

The number of votes cast AGAINST Resolution 3 was 137,646,665 representing 22.40 % of all votes cast.

Accordingly, I declare the motion in relation to Resolution 3 carried as the required 50% majority has been achieved. The results of the poll in respect of Resolution 3 will be released to the ASX shortly and will be displayed on the ASX website as soon as practicable later today.

Resolution 4: Approval of change of company name

Shareholders are asked to consider, and if thought fit, to pass the following special resolution:

“That, in accordance with section 157 of the Corporations Act, the name of the Company be changed from Guildford Coal Limited to TerraCom Limited and, in accordance with section 136(2) of the Corporations Act, the Constitution be amended to reflect the change of name of the Company to TerraCom Limited by changing all references to Guildford Coal Limited in the Constitution to TerraCom Limited.”

I now disclose to the meeting how many proxies have been received concerning this resolution and how the proxy votes are to be cast on the resolution.

In total 100 valid proxies were received, of which –

- (j) 338,866,195 votes were in favour of the resolution;
- (k) 98,085,856 votes were against the resolution;
- (l) 6,926,193 were directed to the Chairman to vote in accordance with his voting intentions on Resolution 1, *As Chairman of this meeting I will be voting in favour of passing this resolution.*

A poll has been called by me as Chairman of the Meeting in respect of Resolution 4. The poll will now be taken, so I therefore declare the poll open.

All members and appointed proxies entitled to vote were given a yellow card upon admission to the meeting.

Members attending the meeting who have also voted by proxy must vote under a poll as their proxy votes are ineligible.

Please clearly mark either "For", "Against" or "Abstain" on the front of the card next to the resolution being voted on under a poll.

The Returning Officer for the poll will be Lee Marshall from Link Market Services.

Once you have marked your vote it will be collected by the Returning Officer's staff.

I now declare the Poll closed.

The Returning Officer will now count the ballot papers.

I will announce the result once all ballots have been counted.

Adjourn meeting to count results of the poll

Thank you for your patience, ladies and gentlemen. We will not have a result until the vote is counted. Accordingly, I will now adjourn the meeting.

Announcement of result of poll (If Results are announced during the meeting)

Thank you for waiting for the outcome of the voting ladies and gentlemen. I now declare the meeting re-opened and announce the results of the poll.

Resolution

The number of votes cast FOR Resolution 4 was 512,493,774 representing 83.94% of all votes cast.

The number of votes cast AGAINST Resolution 4 was 98,085,856 representing 16.06 % of all votes cast.

Accordingly, I declare the motion in relation to Resolution 4 carried as the required 75% majority has been achieved. The results of the poll in respect of Resolution 4 will be released to the ASX shortly and will be displayed on the ASX website as soon as practicable later today.

LADIES AND GENTLEMEN, THAT CONCLUDES THE FORMAL RESOLUTIONS WHICH ARE THE SUBJECT OF THIS MEETING.

D. CLOSING OF MEETING

That concludes the business of this meeting.

Thank you for your attendance.

I declare the meeting closed.